



CMM-5 @ IBM NL

IBM's experience in implementing CMM level 5

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Agenda

- IBM AMS Organisation
- The CMM-5 Project
- Lessons Learned
- Benefits
- Next Steps

IBM AMS Organisation

- The AMS business is application development & maintenance
- Main account for AMS NL is IBM itself:
 - Logistic
 - Marketing
 - Human Resource
 - Financial
- Technologies ranging from REXX to JAVA
- ± 700 people (inc. contractors)
- Part of the work brought to low cost countries, (IBM Global Services India, CMM level 5)

- AMS NL serves also commercial accounts: application development, outsourcing of application management, application consulting

Going to CMM level 5 is natural for IBM (AMS) since in IBM (AMS) we have a long history of quality improvement

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- various internal programmes
- Baldrige (end 80's)
- ISO (early 90's)
- ADE Benchmark (bi-annual since '93)
- Quality Trend Measurements (each quarter since '94)

Furthermore in IBM Corporate and AMS we have a strong focus on processes which allows us to continuously improve our business

- AMS Management System for years
- Customer Relationship Management process used cross IBM
- SLA's cross Lines Of Business
- Standardised methods cross LOBs (IGSM, SSM)
- Standard QA process

AMS NL has additional reasons for achieving CMM level 5

- Site consolidation discussion
 - IBM is downsizing in the number of sites where internal applications are being developed and maintained
 - CMM level important selection criterion
- Provide Application Management Services to our customers
 - Market positioning
 - Provide optimum price-quality ratio
- Competition of low-cost countries
 - Improve productivity to be competitive
 - Operational excellence comparison (CMM 5)
- Now one 'CMM 5 line' (incl. off shore)
 - Aligned with low cost countries

Also additional aspects where considered and become visible now

- Improve proudness of, and belongingness to the organisation
 - new type of 'heroes' created
- The CMM quality program also affects the quality consciousness of adjacent organisational units
 - Others become interested in 'how we have done it'
 - Our processes stimulate others to improve as well

Implementing CMM consisted mainly of mapping existing practices to the CMM as reference

- **Prime responsibility is with the 'project environment', not with supporting units (i.e. SEPG)**
 - Management commitment top / down in 'the line'
 - Dedicated project manager at the 'project environment'
 - Approach to achieve ownership by the project of the management system developed
 - Determine priorities with business
 - Pilot projects on a voluntary basis
 - CMM 4/5 management system created interactively in the pilot projects

We could meet our plan for achieving CMM level 5 as we had a solid foundation to build on



We clearly had some advantages which allowed us to meet the schedule

- Knowledge management related
 - Standard processes (CRM)
 - Technical Methods and Project Management Method (WSDDM)
 - Strong knowledge management tool (ICM)
 - Standard Trend Measurements since 1994
- Organisation related
 - Relatively stable organisation
 - Strong Quality Assurance role
 - Management reporting and action
 - Escalation paths in use
 - Used to continuous improvements
 - Dedicated SEPG is in place



Lessons Learned / CSF's

- The CMM program is Corporate wide driven
 - Single corporate direction statement and sponsorship
 - Local units responsible for achieving results
- Start with a strong baseline, for example via assessment
 - Prevents discussions on validity of baseline
 - Gives a strong direction and focus
 - But do not skip the appropriate training for everyone involved
- Don't focus too much on CMM theory:
 - Define the most appropriate management system for the organisation
 - Don't implement CMM, implement a professional way of working in a continuously improving organisation
- Without strong management backing, don't even consider starting SPI
 - Management needs to push at certain times
 - Without management commitment, you will always lose the trade-off

Measured benefits cannot be linked 100% to CMM improvements

- AMS NL has a history of continuous improving their Key Performance Indicators, i.e. productivity, quality and customer satisfaction
- Next to CMM other improvements are implemented in parallel, also contributing to performance enhancement
- The character of the ADM business is constantly changing, therefore our baseline to measure against is constantly changing as well

Is there life after CMM ?

- SEPG (8 HC) for support of continuous improvements
- Improvement opportunity process in place
- Program to focus on professional excellence
- The CMM 5 project has created a culture of continuous improvement in the AMS NL organisation

Thank You!